

**ROUGH AND READY ISLAND
AT THE PORT OF STOCKTON (San Joaquin County)
JOB OPPORTUNITY ZONE PROPOSAL SUMMARY**

Proposers

Port of Stockton & City of Stockton

Private Sector Partner

Master developer selection is underway.

Zone Characteristics

This employment zone proposal consists of 500 acres in the southern part of Rough and Ready Island that was part of the former Naval Communications Station. The land is vacant and undeveloped except for minor structures left behind by the Navy that occupy less than ten percent of the land. The structures will be demolished within two years. Part of the acreage is owned outright by the Port of Stockton. Other parts are administered by the Port under a 'Lease in Furtherance of Conveyance' which gives the Port nearly the same control as if it were the property owner. Eventually, after the Navy completes some additional cleanup activity, the property will be deeded to the Port.

Existing Jobs/Housing Imbalance

In the year 2000, the City of Stockton had 96,290 jobs, and 107,450 employed residents, a ratio of .90 jobs per employed resident.

Development Proposal

The proposed site still has the zoning designation of the Naval Facility (PL or 'Public Lands') under the City of Stockton's General Plan. In 2002, the City will begin the environmental assessment process to amend the General Plan to create a new designation of 'Port District,' zoned 'Industrial.' This new designation would permit a combination of industrial and commercial uses, from heavy to light industrial, and from commercial manufacturing to commercial residential (office parks). It would allow the Port the flexibility to respond to market demand, and should accelerate development. The specific activities on the site, their location, development standards, and intensity of uses would be spelled out in a master development plan and development agreement. The Port is in the process of selecting a master developer for the property at this time.

The City of Stockton has reserved 500 acres within the Stockton/San Joaquin Enterprise Zone for the opportunity zone site which will make the site eligible for tax incentives offered by the State, the City of Stockton and San Joaquin County. As with the Airport site, the Port is located in Foreign Trade Zone #231. The Port has also secured a \$10 million loan from the California Infrastructure Loan Bank to improve the Daggett Road Bridge leading to the site.

Incentives Requested.

The Port and City of Stockton would request the IRP's assistance in:

Securing additional funding for infrastructure improvements.

Modification of existing infrastructure funding programs to provide preferential treatment for projects within opportunity zones.

Modification of the City's ability to use Community Development Block Grant allocations, which can currently be used only to develop housing.

Exemption from S.B. 975's requirement that businesses apply the prevailing wage rate to projects that are eligible for Enterprise Zone Sales and Use Tax Credit.

Performance Measures

The Port's expectation is that 500,000 square feet of industrial development will be in place within the zone site in 1-2 years. In ten years, conservative estimate by the Port is that 3,000 jobs will be produced. Higher estimates are that 5,000 - 10,000 jobs will be produced.